

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87004 / September 19, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19468

In the Matter of

Jayat P. Kanetkar

Respondent.

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ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Jayat P. Kanetkar (“Respondent” or “Kanetkar”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Kanetkar has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III paragraph 2, which are admitted, Kanetkar consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”).

III.

On the basis of this Order and Kanetkar’s Offer, the Commission finds that:

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

1. Kanetkar is 52 years old and a resident of New Jersey. Kanetkar has been an attorney licensed to practice in New Jersey since 1994.

2. On August 30, 2019, the Commission filed a complaint against the Respondent in SEC v. Kanetkar, et al. (Civil Action No. 1:19-cv-03915). On September 4, 2019, the court entered an order permanently enjoining Kanetkar from future violations of Section 17(a) of Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Kanetkar was also ordered to pay \$14,135 in disgorgement of ill-gotten gains, prejudgment interest of \$2,711, and a \$25,000 civil penalty for a total of \$41,846.

3. The Commission's complaint alleged that as an escrow agent, Kanetkar aided and abetted a prime bank scheme that defrauded investors. The scheme involved the solicitation of "advance fees" from investors to secure the issuance of bank instruments, including bank guarantees and standby letters of credit. The Commission's complaint alleged that Kanetkar provided substantial assistance to others in the scheme from at least November 2013 to November 2016 by acting as an escrow agent for multiple prime bank transactions and disbursing investors' escrowed funds when Kanetkar knew or was reckless in not knowing that the investments were fraudulent. The complaint also alleged that despite a number of red flags, Kanetkar continued to act as an escrow agent for these transactions.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Kanetkar's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that Kanetkar is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Vanessa A. Countryman
Secretary